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JOINT UN/UNESCO SEMINAR ON URBANIZATION IN THE ECAFE REGION

Jointly sponsored by the United Nations Educational, Scientific and Cultural Organization, the United Nations Bureau of Social Affairs and the Secretariat of the United Nations Economic Commission for Asia and the Far East, in co-operation with the International Labour Office

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CONCLUSIONS

Agenda item 4/1

ECONOMIC DEVELOPMENT POLICIES IN RELATION TO TYPES, SCALE AND LOCATION OF INDUSTRIES AS A FACTOR LIKELY TO INFLUENCE URBANIZATION TRENDS IN ECAFE COUNTRIES

1. The influence of governments in relation to types, scale and location of industries has been by and large only indirect till almost the beginning of the post-war years. Competition has generally been considered to be beneficial, helping to produce a more efficient allocation of resources and a more healthy production alignment. The resulting industrial development has, however, been somewhat unbalanced in the context of the prevalent resources situation in some countries. Industries in some cases have been modelled on the western pattern using labour-saving machinery and making difficult a fuller utilization of the abundantly available manpower. Advanced techniques and equipment have reduced costs but the loss of employment in traditional industries had been considerable. Generally, industry has settled down wherever it has been profitable even though conflicts with interests of social welfare have developed. Distribution of industries has been uneven and generally there has been a move towards cities.

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2. The priority in the current development plans in the ECAFE countries to strengthen the production base calls for large investments in basic overheads and in heavy industries leaving little for investment in a wide range of light industries, which have to be developed on a decentralized basis. The pattern of the infra-structure of the economy laid down in government programmes or being carried out is very important, because in the long run policies that determine the type, scale and location of these economic overheads will be largely responsible for the patterns of industrial development and the process of urbanization.

3. The weight of employment considerations in the region and the awareness to bring about a rational distribution of industry to utilize natural and human resources effectively, strengthens the move to accelerate decentralized industrial development.

4. Even though planners are aware of the dangers of the growth of giant cities, no serious steps as such have, however, been taken to arrest this development except for some legislation of varying effectiveness.

5. It is important to examine the impact of decentralized industrial development on urbanization. Economic as well as non-economic considerations, social desirability, etc. must be carefully gone into. It is important to see whether new urban industrial townships should be developed or the existing centres expanded.

6. The problem of creation of employment opportunities must be solved without, however, retarding technological progress. Overemphasis on labour intensive techniques of production should be avoided. Optimum resources combination must be so planned that scarce resources are combined with abundantly available resources in such a way as to secure the highest productivity or the highest possible net returns.

7. It is important to examine the tools and the machinery that will be employed by governments to implement the new development. Besides attention to physical planning the impact of other development policies such as tax policy, public expenditure policy, tariff policy, wage policy etc. on the

/locational pattern

locational pattern of industry should be borne in mind. The importance of dovetailing city planning, regional planning and overall national planning must be studied. The usefulness of licensing system to achieve proper development of industries must be considered.

8. Decentralized industrial development in Asian countries can succeed effectively only when greater guidance is provided to small industries. Help is called for all along the line. Organization must be developed which brings together the widely dispersed industrial units into voluntary trade association to secure the benefit and advantage of large-scale organization for procurement of raw materials, marketing and research. The usefulness of co-operatives must be explored. Standardization and quality control must be introduced. Efforts must be made to concentrate in the near future on immediately practicable steps, as mentioned above, instead of introducing costly equipment.